

SOUTH DOWNSVILLE FIELD

09-1246

LEGAL NOTICE

STATE OF LOUISIANA, OFFICE OF CONSERVATION, BATON ROUGE, LOUISIANA.

In accordance with the laws of the State of Louisiana, and with particular reference to the provisions of Title 30 of Louisiana Revised Statutes of 1950, a public hearing will be held in the Hearing Room, 1st Floor, LaSalle Building, 617 North 3rd Street, Baton Rouge, Louisiana, at 9:00 a.m. on **TUESDAY, DECEMBER 1, 2009**, upon the application of **SAWGRASS STORAGE, LLC**.

At such hearing the Commissioner of Conservation will consider evidence relative to the issuance of Orders pertaining to the following matters relating to the **Vaughn Sand, Gas Storage Reservoir**, in the South Downsville Field, Lincoln and Union Parishes, Louisiana.

1. To dissolve the units created for the Vaughn Sand of the Cotton Valley Formation, SUA-SUM, by Office of Conservation Order No. 558, effective August 16, 1961, the SUO by Order No. 558-A, effective June 1, 1962 and the SUP-SUT by Order No. 558-A-1, effective February 13, 1963.
2. To designate the Vaughn Sand, Gas Storage Reservoir, member of the Cotton Valley Formation as a storage reservoir for natural gas.
3. To define the limits of the storage reservoir and such adjacent lands as may be necessary to be included in a storage area for the protection of the storage reservoir.
4. To determine that the storage reservoir to be used for the injection, storage and withdrawal of natural gas is suitable and feasible for use as an underground storage reservoir for natural gas.
5. To determine that the use of said underground reservoir for the storage of natural gas will not contaminate other formations containing fresh water, oil, gas or other commercial mineral deposits.
6. To determine that the proposed storage will not endanger lives or property.
7. To provide that all natural gas which has previously been reduced to possession and which is subsequently injected into an underground storage reservoir shall at all times be deemed the property of the injector, his successors and assigns, and in no event shall such be subject to the right of the owner of the surface of the lands or of any mineral interest therein under which such underground storage reservoir shall lie or be adjacent to or of any person other than the injector, his successors and assigns to produce, take, reduce to possession waste or otherwise interfere with or exercise any control thereover, provided that the injector, his successors and assigns shall have no right to gas in any stratum or portion thereof not determined by the commissioner to constitute an approved underground storage reservoir.
8. To establish rules and regulations for the protection of the underground storage reservoir against pollution and against the escape of natural gas therefrom, including such necessary rules and regulations covering the drilling and operation into or through such underground storage reservoir and 100' above and below the Vaughn Sand.
9. To determine that the volumes of original reservoir gas and condensate content therein which are capable of being produced in paying quantities have all be produced.
10. To determine that the underground reservoir is fully depleted of the original commercially recoverable natural gas and condensate content therein.
11. To establish a "Buffer Zone" of 1,000' inside and outside of the boundary of the gas storage area for Sections 16, 20 and 21, Township 19 North, Range 1 West and to provide that no well hereafter drilled in the "Buffer Zone" shall be drilled to or completed in the Vaughn Sand, except as a monitoring well for Vaughn Sand gas storage. Notwithstanding anything to the contrary herein, any currently active wells within the "Buffer Zone" in operation prior to the effective date of this Order will be exempt.
12. To further establish rules and regulations for the Vaughn Sand of the Cotton Valley Formation, that require wells to be located no closer than 330 feet outside of the storage reservoir.

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13. To establish rules and regulations governing the development and operation of the storage reservoir as well as all other matters that may be necessary pursuant to the provisions of Sections 6 and 22, Title 30 of the Louisiana Revised Statutes of 1950, as amended.

The Vaughn Sand is fully defined in Reservoir A in Order Nos. 558 and 558-A, as being that gas and condensate bearing sand encountered between the measured depths of 9,010' and 9,042' (electrical log measurements) in the Southwest Producing Company Inc., et al-J.J. Hamilton No. 1 Well (SN 83179), located in Section 30, Township 19 North, Range 1 East. The Vaughn Sand is further defined as being the stratigraphic equivalent of that interval between a measured depth of 8,877' subsurface to a measured depth of 8,897' subsurface, as shown by the induction electric log of the Samson Contour-Ballard 19 No. 1 Well (SN 235488) in Section 19, Township 19 North, Range 1 East.

Plats are available for inspection in the Office of Conservation in **Baton Rouge** and **Shreveport**, Louisiana.

<http://dnr.louisiana.gov/conshearings>

All parties having interest therein shall take notice thereof.

BY ORDER OF:

JAMES H. WELSH
COMMISSIONER OF CONSERVATION

Baton Rouge, LA

10/23/09;10/28/09

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IF ACCOMMODATIONS ARE REQUIRED UNDER AMERICANS WITH DISABILITIES ACT, PLEASE ADVISE THE OFFICE OF CONSERVATION-ENGINEERING DIVISION AT P.O. BOX 94275, BATON ROUGE, LA 70804-9275 IN WRITING WITHIN TEN (10) WORKING DAYS OF THE HEARING DATE.